

**Jefferson Davis Parish
Tourist Commission**

Jennings, Louisiana

FINANCIAL REPORT

Year Ended June 30, 2012

Jefferson Davis Parish Tourist Commission
June 30, 2012

Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-2
Basic Financial Statements		
Government-Wide Financial Statements (GWFS)		
Statement of net assets.....	A	3
Statement of activities	B	4
Funds Financial Statements (FFS)		
Balance sheet – governmental funds.....	C	5
Reconciliation of the governmental fund balance sheet to the statement of net Assets	D	6
Statement of revenues, expenditures, and changes in fund balances – government funds.....	E	7
Reconciliation of the statement of revenues, expenditures and changes in fund balance of the governmental fund to the statement of activities	F	8
Notes to basic financial statements		9-22
Required Supplementary Information		
General Fund:		
Budgetary Comparison Schedule	Schedule 1	23-24
Notes to Budgetary Comparison Schedule		25
Other Reports		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		26-28
Summary of Schedule of Prior Audit Findings.....		29
Summary of Schedule of Current Audit Findings.....		30

EDWARD L. KRIELOW, CPA
LENORA KRIELOW, CPA

510 N. CUTTING
P.O. DRAWER 918
JENNINGS, LOUISIANA 70546
TELEPHONE: (337) 824-5007
FAX: (337) 824-8852
EMAIL: edward@krielowCPA.net

INDEPENDENT AUDITORS' REPORT

To the Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

We have audited the accompanying financial statements of the Governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission (the Commission), a component unit of the Jefferson Davis Parish Policy Jury, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Jefferson Davis Parish Tourist Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012 on our consideration of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress listed in the accompany table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted on inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Edward L. Kuclo
Certified Public Accountant

Jennings, Louisiana
December 31, 2012

WE STATE ON THIS PAGE WHETHER AN AUDIT HAS BEEN MADE OF A SUFFICIENT SCOPE TO ENABLE US TO EXPRESS AN OPINION ON THE ACCOMPANYING FINANCIAL STATEMENTS, OR IF PREPARED WITHOUT AUDIT FROM INFORMATION FURNISHED. THE PUBLICATION OF OUR NAME IN CONNECTION WITH ANY EXCERPT FROM THIS REPORT MAY BE MADE ONLY WITH OUR CONSENT AND IN A FORM APPROVED BY US.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

STATEMENT OF NET ASSETS
As of June 30, 2012

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 460,336
Investments - certificates of deposit	68,909
Tax revenue receivable	64,665
Interest receivable	157
Prepaid expenses	2,011
Total current assets	<u>686,077</u>
Noncurrent assets:	
Capital assets, net of depreciation	35,401
Total noncurrent assets	<u>35,401</u>
Total assets	<u>621,478</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,533
Accrued liabilities	952
Total current liabilities	<u>3,485</u>
Noncurrent liabilities:	
Accrued compensated absences	6,084
Total noncurrent liabilities	<u>6,084</u>
Total liabilities	<u>9,569</u>
NET ASSETS	
Invested in capital assets, net	35,401
Unrestricted	576,508
Total net assets	<u>\$ 611,909</u>

EXHIBIT A

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
GOVERNMENTAL ACTIVITIES			
Promotion of Tourism	\$ 299,228	\$ 0	\$ (299,228)
Total Governmental Activities	<u>\$ 299,228</u>	<u>\$ 0</u>	<u>\$ (299,228)</u>
GENERAL REVENUES			
Sales Taxes			
Local Collections			146,659
State Appropriations			139,678
Miscellaneous revenue			15,866
Intergovernmental revenue			32,005
Interest income			680
Total General Revenues			<u>334,878</u>
CHANGE IN NET ASSETS			35,650
NET ASSETS, BEGINNING OF YEAR			<u>576,259</u>
NET ASSETS, END OF YEAR			<u>\$ 611,909</u>

EXHIBIT B

The accompanying notes are an integral part of the statement.

FUND FINANCIAL STATEMENTS (FFS)

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

BALANCE SHEET
Governmental Funds
As of June 30, 2012

	General Fund
ASSETS	
Cash and cash equivalents	\$ 450,335
Investments - certificates of deposit	66,909
Tax Revenue Receivable	64,665
Interest Income Receivable	157
TOTAL ASSETS	<u>\$ 584,066</u>
LIABILITIES AND EQUITY	
Liabilities:	
Accounts payable	\$ 2,533
Accrued liabilities	1,008
Total Liabilities	<u>3,541</u>
FUND EQUITY	
Fund Balance:	
Unassigned	580,525
Total fund balance	<u>580,525</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 584,066</u>

EXHIBIT C

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2012**

Total fund balance for governmental fund at June 30, 2012	\$ 580,525
Total net assets reported for governmental activities in the statement of net assets is different because:	
Other assets used in governmental activities that are not financial resources, and therefore, are not reported in the governmental funds.	
Prepaid Expenses	2,011
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Capital assets	38,656
Less: accumulated depreciation	(3,285)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds. The debt is:	
Compensated absences payable	(6,084)
Liability for earned but deferred revenue:	
Deferred interest revenue	56
Total net assets of governmental activities as of June 30, 2012	<u>\$ 611,909</u>

EXHIBIT D

The accompanying notes are an integral part of the statement.

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2012

	General Fund
REVENUES	
Sales Taxes	
Local Collections	\$ 146,659
State Appropriation	139,678
Miscellaneous revenue	15,856
Intergovernmental revenue	32,004
Interest Income	668
Total Revenues	<u>\$ 334,865</u>
EXPENDITURES	
Personnel	
Salaries - Director	\$ 45,084
Salaries - Other	67,865
Payroll Taxes	2,814
Retirement Expense	15,187
Advertising	35,011
Promotional	54,495
Operational	
Tour Expense	5,790
Dues & Subscriptions	2,782
Insurance	16,740
Travel Expense	15,619
Miscellaneous	1,370
Other operating expenses	
Accounting Services	6,750
Legal & Professional	5,513
Equipment Rentals	4,230
Equipment Maintenance	2,857
Capital Outlay	7,411
Telephone	4,469
Utilities & Internet	3,616
Office Expense	7,472
Postage	111
Total Expenditures	<u>\$ 304,986</u>
NET CHANGE IN FUND BALANCE	<u>\$ 29,879</u>
UNASSIGNED FUND BALANCE - Beginning of Year	<u>550,846</u>
UNASSIGNED FUND BALANCE - End of Year	<u><u>\$ 580,525</u></u>

EXHIBIT E

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the statement of Activities
For the Fiscal Year Ended June 30, 2012

Total net change in fund balance at June 30, 2012 per
Statement of Revenues, Expenditures and Changes in Fund Balance \$ 29,879

The change in net assets reported for governmental activities in the statement of
activities is different because:

Other assets used in governmental activities that are not financial resources
and, therefore, are not reported in governmental funds.

Prepaid Expenses	800
Accrued Interest Receivable	12

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds.

Capital assets	7,411
Less: accumulated depreciation	(2,553)

General long-term debt of governmental activities are not payable from
current resources and, therefore not reported in the funds. The debt is:

Compensated absences payable	101
------------------------------	-----

Total changes in net assets at June 30, 2012 per Statement of Activities	<u>\$ 35,650</u>
--	------------------

EXHIBIT F

The accompanying notes are an integral part of the statement

Notes to Financial Statements

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

1. Organization and Significant Accounting Policies

The mission of the Jefferson Davis Parish Tourist Commission (*the Commission*) is to promote and encourage recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions. It operates a tourist information center within the Parish and employs an executive director and two full time and two part-time employees, all who coordinate advertisements and promotion of tourism for the Parish. The more significant of the Commission's accounting policies are described below.

Reporting Entity

The Commission was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 33:4574) through the passage of Parish Ordinance 579 on May 9, 1973. The District purposes shall be the promotion and encouragement of recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions, and to engage in activities which would promote such development. The Commission has authority, within its boundaries, to exercise all powers necessary or convenient for the carrying out of such purposes.

Under the provision of Parish Ordinance 579, dated May 9, 1973, the District shall be governed and controlled by a board of commissioners composed of five members. Pursuant to Ordinance 579 these commissioners, appointed by the Jefferson Davis Police Jury, assume their duties for an unstated term and shall serve without compensation.

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. They include the following:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization and/or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Reporting Entity (continued)

The police jury appoints a voting majority of the board and has the ability to impose its will on the organization; therefore the Commission was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Joint Venture

Jefferson Davis Parish Economic Development Commission – A jointly owned commission with the City of Jennings and the Town of Welsh was formed to enhance the economic development of Jefferson Davis Parish. This commission has not been included in the reporting entity. Financial Statements for this joint venture can be obtained from the Jefferson Davis Parish Economic Development Commission.

Basis of Presentation

The Commission has adopted the provisions of GASB Statement No. 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, statement of activities, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the entity and for each function of the entity's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Government-Wide Financial Statements (GWFS) (continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the *Commission* are described below:

Governmental Funds:

General Fund – The General Fund is the general accounting fund of the Jefferson Davis Parish Tourist Commission. It accounts for all financial resources, except for those required to be accounted for in other funds.

Notes to Financial Statements

Measurement Focus / Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expense, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Basis of Accounting (continued)

Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Commissions policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues—Sales tax revenues are collected by the Jefferson Davis Parish School Board and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in June 2012 and remitted in July 2012 have been reported as a receivable.

Each fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within Jefferson Davis Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are remitted quarterly.

Budgetary Practices

The Commission has adopted a budget for its general fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Capital Assets

In the fund financial statements (FFS), fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements (GWFS), fixed assets are accounted for as capital assets. The Jefferson Davis Parish Tourist Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Capital Assets (continued)

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Vehicles	5 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

Compensated Absences

Employees accrue earned vacation on a monthly basis according to years of service. Employees are permitted to carry forward a maximum of one-third (1/3) of their annual earned vacation with a maximum of 20 days. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 130 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At June 30, 2012, the Commission had accrued vacation leave of \$6,084.

Pension Plan

All full time eligible employees are members of the statewide retirement system: Parochial Employees' Retirement System of Louisiana (PERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan is as follows:

Plan Description. Substantially all full time employees are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System.

Jefferson Davis Parish Tourist Commission
June 30, 2011

Notes to Financial Statements

Pension Plan (continued)

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of social security participation have an option to join the parochial system. New employees meeting the age and social security criteria have up to 90 days from the date of hire to elect to participate. Under Plan A, employees who were hired prior to January 1, 2007, may retire at or after age 65 with at least 7 years of credited service, at age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service and employees who were hired after January 1, 2007, may retire at age 67 with at least 7 years of credited service, at age 62 with at least 10 years of credited service, or at age 55 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average compensation plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980 plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average compensation is defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Jefferson Davis Parish Tourist Commission is required to contribute at a statutory rate based on actuarially determined computations. The current rate is 15.75% of covered payroll. Contributions to the System also include one fourth of one percent of the taxes, shown to be collectible (except for Orleans and East Baton Rouge parishes) by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jefferson Davis Parish Tourist Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Jefferson Davis Parish Tourist Commission contribution to the System under Plan A for the year ending June 30, 2012, 2011, and 2010 was \$15,187, \$15,040, and \$13,720 respectively, equal to the required contribution for each year.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Equity Classifications

Government-Wide Statements – Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted net assets – consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Governmental Fund Statements – Equity is classified as fund balance. Fund balance is further classified as follows: Proprietary fund equity is classified the same as in the government-wide statements

The Commission adopted GASB Statement 54 in the year ended June 30, 2011. As such, fund balances of the governmental funds are classified as follows:

Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balance – amounts that can be used for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Jefferson Davis Parish Tourist Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only board members may assign amounts for specific purposes.

Unassigned fund balance – all other spendable amounts.

As of June 30, 2012, fund balances are composed of the following:

	General Fund	Total Governmental Balance
Unassigned	\$ 580,525	\$ 580,525
Total fund balance	\$ 580,525	\$ 580,525

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Equity Classifications (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission members have provided otherwise in its commitment or assignment actions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Jefferson Davis Parish Tourist Commission, which are either unusual in nature or infrequent in occurrence. During the year ended June 30, 2012, the Commission had no extraordinary or special items.

Date of Management's Review

Subsequent events were evaluated through December 31, 2012, which is the date of the financial statements were available to be issued.

2. Deposits and Investments

A. Deposits:

As of June 30, 2012, the year end balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash on hand	\$ 75,372	\$ 55,420
Cash-demand deposits	278,908	278,908
Time deposits (maturities less than 90 days)	<u>116,007</u>	<u>116,007</u>
Total	<u>\$ 470,287</u>	<u>\$ 450,335</u>

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Deposits and Investments (Continued)

Under state laws, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined by LRS 38:1221 valued at market. As of June 30, 2012, the Commission had deposits (collected bank balances) totaling \$ 539,196. As of the year end none of the bank balance of deposits were exposed to custodial credit risk.

B. Investments

At June 30, 2012 the Commission had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
			<u>Less than 1</u>	<u>1 – 5</u>
Certificates of deposits – (maturities exceeding 90 days)	100%	<u>\$ 68,909</u>	<u>\$ 68,909</u>	<u>\$ -</u>

Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The public entity's investment is not with any pool or outside party and therefore, no disclosure is required. Accordingly, the Commission had no custodial credit risk related to its investments of June 30, 2012.

Concentration of Credit Risk – The Commission places no limit on the amount it may invest in any one issuer. All investments are invested in Certificates of Deposit with First Guaranty Bank.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

3. Tax Revenue Receivable

The following is a summary of receivables at year end:

	<u>Governmental Activities</u>
Jefferson Davis Parish School Board – Local Sales Tax	\$ 12,747
Louisiana Department of Treasury – State Appropriations	51,918
Gross Receivables	<u>\$ 64,665</u>

4. Capital Assets: Capital assets activity for the year ended June 30, 2012 was as follows:

	Beginning Balance 07/01/11	Additions	Deletions	Ending Balance 06/30/12
Improvements	\$ 31,255	\$ 7,411	\$ -	\$ 38,666
Less: Accumulated Depreciation	<u>712</u>	<u>2,553</u>	<u>-</u>	<u>3,266</u>
Capital assets, net	<u>\$ 30,543</u>	<u>\$ 4,858</u>	<u>\$ -</u>	<u>\$ 35,401</u>

Depreciation expense of \$2,553 was charged to governmental activities: Promotion of Tourism

5. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Commission has elected to continue coverage through the City of Jennings commercial insurance policy. The City of Jennings is insured up to policy limits for each of the above risks. There were no significant changes in the coverage's, retentions, or limits during the year ended June 30, 2012. There were no settled claims exceeding the commercial coverage's in any previous three fiscal years.

6. Litigation and Claims

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

7. Contract Commitments

The Jefferson Davis Parish Tourist Commission participates in several tourism promotional magazines and annuals requiring contractual agreements. The minimum future payments under these contracts are as follows:

Year ended June 30, 2013	\$ 17,167
Year ended June 30, 2014	0
Year ended June 30, 2015	0
Year ended June 30, 2016	0
Year ended June 30, 2017	0
Total	<u>\$ 17,167</u>

8. Related Party Transactions

Pursuant to the \$75,000 contribution agreement between the Jefferson Davis Parish Economic Development Commission and the Jefferson Davis Parish Tourist Commission, the Board of Directors established a Cooperative Endeavor Agreement. It was agreed the Jefferson Davis Parish Tourist Commission would provide in lieu of their annual \$75,000 contribution, all management and jointly provide equipment and services to the Jefferson Davis Economic Development Commission. In turn, the Jefferson Davis Parish Economic Commission would pay the Jefferson Davis Tourist Commission a management fee. For the year ended June 30, 2012 the Commission has received \$25,000.

9. Economic Development Commission Joint Venture

The Jefferson Davis Parish Tourist Commission in conjunction with the City of Jennings and the Town of Welsh has entered into an agreement to create the Jefferson Davis Parish Economic Development Commission (EDC). The EDC was chartered on January 30, 2007. The purpose is to act as an agency to enhance economic development and sustainable growth in Jefferson Davis Parish. According to the charter, each member is responsible for contributing an amount equal to the percentage of ownership that the member holds in the commission. The annual proportion of participation shall be as follows.

<u>Member</u>	<u>Percentage</u>	<u>Not to Exceed</u>
City of Jennings	39.50%	\$ 75,000
Jefferson Davis Parish Tourist Commission	39.50%	75,000
Town of Welsh	21.00%	40,000

The EDC consists of seven commissioners as follows: three residents of the City of Jennings, three representatives appointed by the Jefferson Davis Parish Tourist Commission, and one resident of the Town of Welsh.

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Financial Statements

Economic Development Commission Joint Venture (continued)

The EDC members are to be appointed by the governing body of their place of residence. The EDC has the power and authority to employ a director to oversee and manage the operation of the commission office, hire other staff as needed, adopt its own budget, and enter into contracts for professional services necessary for the operations of the EDC.

The EDC is a Governmental Fund and the Jefferson Davis Parish Tourist Commission has not included its 39.5% share of net assets in these financial statements.

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2011 (the latest available audited financial statements) is as follows:

	<u>Total</u>	<u>Commission</u>
Total assets	\$ 68,399	\$ 27,018
Total liabilities	1,079	426
Total net assets	67,320	26,591
Total liabilities and net assets	67,320	26,591
Total program revenues	\$ 105,000	\$ 41,475
General revenues	3,236	1,278
Total expenses	\$ 125,987	\$ 49,765
Change in net assets	(17,751)	(7,012)

As of December 31, 2011, the EDC had no long-term debt outstanding.

10. Board of Directors Compensation

The Board of Directors is a voluntary board; therefore no compensation has been paid to any member.

Required Supplemental Information

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

BUDGETARY COMPARISON SCHEDULE
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable/ (Unfavorable)
REVENUES				
Sales Taxes				
Local Collections	\$ 148,000	\$ 148,000	\$ 146,659	\$ (1,341)
State Appropriation	75,000	117,800	139,678	21,878
Miscellaneous revenue	4,000	9,500	15,856	6,356
Intergovernmental revenue	25,000	25,000	32,004	7,004
Interest Income	500	500	668	168
Total Revenues	<u>\$ 252,500</u>	<u>\$ 300,800</u>	<u>\$ 334,865</u>	<u>\$ 34,065</u>
EXPENDITURES				
Personnel				
Salaries - Director	\$ 45,900	\$ 45,900	\$ 45,084	\$ (816)
Salaries - Other	69,000	69,000	67,865	(1,135)
Payroll Taxes	4,200	3,500	2,814	(686)
Retirement Expense	17,000	16,000	15,187	(813)
Advertising	38,000	38,000	35,011	(2,989)
Promotional	55,790	43,000	54,496	11,495
Operational				
Tour Expense	8,000	8,000	5,790	(2,210)
Dues & Subscriptions	4,000	4,000	2,782	(1,218)
Insurance	16,500	16,500	16,740	240
Travel Expense	12,000	12,000	15,619	3,619
Other	500	1,400	1,370	(30)
Other operating expenses				
Accounting	7,000	7,000	6,750	(250)
Legal & Professional	8,000	8,000	5,513	(2,487)
Equipment Rentals	3,000	4,000	4,230	230
Equipment Maintenance	1,000	1,000	2,857	1,857
Telephone	5,100	5,100	4,469	(631)
Utilities	6,000	6,000	3,616	(2,384)
Office Expense	10,000	8,000	7,472	(528)
Postage	1,000	1,000	111	(889)
Capital Outlay	5,000	10,000	7,411	(2,589)
Total Expenditures	<u>\$ 316,990</u>	<u>\$ 307,400</u>	<u>\$ 304,966</u>	<u>\$ (2,414)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (64,490)</u>	<u>\$ (6,600)</u>	<u>\$ 29,879</u>	<u>\$ 36,479</u>
NET ASSETS - BEGINNING OF YEAR			<u>550,646</u>	
NET ASSETS - END OF YEAR			<u>\$ 580,525</u>	

SCHEDULE 1

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission
June 30, 2012

Notes to Budgetary Comparison Schedules

1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Legally, the Commission must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

2. Explanation of Significant Difference Between Original and Final Budget

Sales tax revenue from state appropriations in the original budget was significantly lower than actual amounts received. Sales tax revenue received from state appropriations are earned as of the last quarter of the fiscal year and remitted to the Commission shortly thereafter. Although the funding was received within 60 days and considered revenue, at the time of budgeting the Commission had not received the funds and therefore approved the final budget without the last quarter state appropriations.

***Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Governmental Auditing Standards***

EDWARD L. KRIELOW
(A PROFESSIONAL ACCOUNTING CORPORATION)

EDWARD L. KRIELOW, CPA
LENORA KRIELOW, CPA

510 N. CUTTING
P.O. DRAWER 918
JENNINGS, LOUISIANA 70546
TELEPHONE: (337) 824-3007
FAX: (337) 824-8852
EMAIL: Edward@KrielowCPA.net

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Governmental Auditing Standards**

Board of Commissioners
Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Davis Parish Tourist Commission, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Jefferson Davis Parish Tourist Commission basic financial statements and have issued my report thereon dated December 31, 2012. We've conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jefferson Davis Parish Tourist Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting.

A *deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Tourist Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standard*.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document and its distribution is not limited.

Edward L. Krielow
Certified Public Accountant

Jennings, Louisiana
December 31, 2012

Jefferson Davis Parish Tourist Commission
June 30, 2012

Management's Status of Prior Year Audit findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
No Prior Year Findings				

Jefferson Davis Parish Tourist Commission
June 30, 2012

Management's Status of Current Year Audit findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
No Current Findings				